GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3961
ANSWERED ON:09.08.2002
DEMAND OF INDIAN PRODUCTS IN SOUTH AND CENTRAL ASIAN MARKET
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the demand of Indian electronic goods, textiles and garments is decreasing day by day in the South and Central Asian Markets;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken by the Government to regain its original position?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) Exports of Indian electronic goods to South and Central Asian Markets have increased in 2001-2002 as compared to the exports in 2000-2001. However, Indian Textile exports to these markets have decreased in 2001-2002 as against the exports during 2000-2001.

(b) The item wise/country wise statistics of exports of Electronic Goods and Textiles Products are available in the publications brought out by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata, available in the Parliament Library.

The decline in textile exports during the year 2001-02 is mainly due to general slowdown in the economies of some of India`s major important trading partners like the USA, which got accentuated due to September 11 attacks. It is also due to increased competition from the neighbouring countries like China, Bangladesh, etc.

(c) Government has been taking several steps from time to time to increase textile exports. Some of the important initiatives are as follows:-

(i) Government has de-reserved the woven segment of readymade garments from the SSI sector.

(ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from Ist April,1999 to facilitate the modernisation and upgradation of the sector.

(iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. The cost of machinery has also been reduced through Fiscal Policy measures.This further encourages modernisation.

(iv) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought to 5%. A programme has also been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

(v) Foreign equity participation upto 100% through automatic route has been allowed in the textile sector with a few exceptions.

(vi) The National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry, specially apparel in the field of design, merchandising and marketing.

(vii) The Textile Industry is being prepared and sensitised to conform to the ecological requirements of importing countries by providing facilities by way of eco-testing laboratories.